

**Stock Name:** Haier Smart Home

**Stock Code:** 600690

**No.:** L2021-001

## **Haier Smart Home Co., Ltd.**

# **Announcement on Equity Allocation of Core Employee Stock Ownership Scheme and Expiry of Phase I Core Employee Stock Ownership Scheme**

The Board of Directors of the Company and all members of the Board warrant that there are no false representations, misleading statements or material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

Haier Smart Home Co., Ltd. (formerly known as “Qingdao Haier Co., Ltd.”, hereinafter referred to as the “Company”, “Qingdao Haier” or “Haier Smart Home”) has completed relevant matters recently in relation to Equity Allocation of Employee Stock Ownership Scheme (the equity or shares involved refer to A shares, the same below). The details are as follows:

### **I. Details of the Core Employee Stock Ownership Scheme**

#### **(I) Details of Phase I Stock Ownership Scheme of the Core Employee Stock Ownership Scheme**

The Company held the 2015 Annual General Meeting on 31 May 2016, considering and approving the *Proposal on “Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (Draft)” and its Summary* (referred to as the “Core Employee Stock Ownership Scheme”, “Phase I Stock Ownership Scheme” or “Draft of Phase I Stock Ownership Scheme”). For details of the Phase I Stock Ownership Scheme, please refer to the announcement published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the relevant statutory disclosure media by the Company on 29 April 2016.

Pursuant to the requirements of the Draft of Phase I Stock Ownership Scheme, the *Administrative Measures of Phase I Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* and the relevant requirements, there are 515 employees participating in Phase I Stock Ownership Scheme, holding 247,900,000 shares (RMB) in total. Pursuant to the *Announcement regarding the Completion of Share Purchase in Phase I Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* (L2016-062) disclosed by the Company on 30 November 2016, as of 29 November 2016, the Designated Asset Management Plan of Phase I Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. has accumulatively bought 24,255,140 shares of the Company via the secondary market, with an average transaction price of approximately RMB10.02 per share and the transaction amount of RMB242,939,165.22. The above shares purchased are to be locked up in accordance with the requirements with a lock-up period of 12 months since the disclosure date of this announcement, being from 30 November 2016 to 29 November 2017.

Pursuant to the Draft of Phase I Stock Ownership Scheme, the equity interests of the underlying stocks in the Phase I Stock Ownership Scheme shall be vested to their holders in two phases, the specific vesting time would be after the lock-up period ends, which should be determined by the Management Committee. The assessment indicators and vesting arrangements under the Phase I Stock Ownership Scheme are as follows: (1) The assessment indicators and vesting arrangements of the holders under the Phase I Stock Ownership Scheme who are directors, supervisors, senior managements of Qingdao Haier and the personnel of the Company's platform are: if the holders were assessed by the Management Committee in 2016 with an up-to-standard result and the Company's net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2016 increased over 10% (inclusive) than those of the 2015, then 40% of the equity interests of underlying stocks in the Phase I Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 8% and 10%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting

to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 8% (not inclusive), then the equity interests would not be vested in 2016. If the holders were assessed by the Management Committee in 2017 with an up-to-standard result and the Company's net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2017 increased over 15% (inclusive) than those of the 2016, then 60% of the equity interests of underlying stocks in the Phase I Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 10% and 15%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 10% (not inclusive), then the equity interests would not be vested in 2017. (2) The holders under the Phase I Stock Ownership Scheme excluding the holders in item 1 were assessed by the Management Committee with up-to-the standard results in 2016 and 2017, being vested with 40% and 60% of the equity interests, respectively.

## **(II) Details of Phase II Stock Ownership Scheme of the Core Employee Stock Ownership Scheme**

Pursuant to the requirements of the Core Employee Stock Ownership Scheme, the Company held the 4th meeting of the Ninth Session of the Board of Directors on 27 February 2017, on which the *Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (draft) and its Summary* (hereinafter referred to as the "Draft of Phase II Stock Ownership Scheme") was considered and approved. For details of the Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme (referred to as the "Phase II Stock Ownership Scheme"), please refer to the announcement published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the relevant statutory disclosure media by the Company on 28 February 2017.

Pursuant to the requirements of the Draft of Phase II Stock Ownership Scheme, the

*Administrative Measures of Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* and the relevant requirements, there are 576 employees participating in the Phase II Stock Ownership Scheme, holding 266,100,000 shares (RMB) in total. Pursuant to the *Announcement regarding the Completion of Share Purchase in Phase II Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* (L2017-006) disclosed by the Company on 29 March 2017, as of 28 March 2017, the Phase II Stock Ownership Scheme has accumulatively bought 22,820,787 shares of the Company via the secondary market, with an average transaction price of approximately RMB11.43 per share and the transaction amount of approximately RMB260,768,338.35. The above shares purchased are to be locked up in accordance with the requirements with a lock-up period of 12 months since the disclosure date of the aforementioned announcement, being from 29 March 2017 to 28 March 2018.

Pursuant to the Draft of Phase II Stock Ownership Scheme, the equity interests of the underlying stocks in the Phase II Stock Ownership Scheme shall be vested to their holders in two phases, the specific vesting time would be after the lock-up period ends, which should be determined by the Management Committee. The assessment indicators and vesting arrangements under the Phase II Stock Ownership Scheme are as follows:

(1) The assessment indicators and vesting arrangements of the holders under Phase II Stock Ownership Scheme who are directors, supervisors, senior managements of Qingdao Haier and the personnel of the Company's platform are: if the holders were assessed by the Management Committee in 2017 with an up-to-standard result and the Company's audited net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2017 increased over 25% (inclusive) than those of the 2016, then 40% of the equity interests of underlying stocks in Phase II Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 20% and 25%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the

Company and obtaining approval from them; provided that the increase rate is below 20% (not inclusive), then the equity interests would not be vested in 2017. If the holders were assessed by the Management Committee in 2018 with an up-to-standard result and the Company's audited net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2018 increased over 10% (inclusive) than those of the 2017, then 60% of the equity interests of underlying stocks in Phase II Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 8% and 10%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 8% (not inclusive), then the equity interests would not be vested in 2018. (2) The holders under Phase II Stock Ownership Scheme excluding the holders in item (1) were assessed by the Management Committee with up-to-the standard results in 2017 and 2018, being vested with 40% and 60% of the equity interests, respectively.

### **(III) Details of Phase III Stock Ownership Scheme of the Core Employee Stock Ownership Scheme**

Pursuant to the requirements of the Core Employee Stock Ownership Scheme, the Company held the 13th meeting of the Ninth Session of the Board of Directors on 24 April 2018, on which the *Phase III Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd. (draft) and its Summary* (hereinafter referred to as the "Draft of Phase III Stock Ownership Scheme") was considered and approved. For details of the Phase III Stock Ownership Scheme of Core Employee Stock Ownership Scheme (referred to as the "Phase III Stock Ownership Scheme"), please refer to the announcement published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the relevant statutory disclosure media by the Company on 26 April 2018.

Pursuant to the requirements of the Draft of Phase III Stock Ownership Scheme, the *Administrative Measures of Phase III Stock Ownership Scheme of Core Employee Stock*

*Ownership Scheme of Qingdao Haier Co., Ltd.* and the relevant requirements, there are 635 employees participating in the Phase III Stock Ownership Scheme, holding 271,300,000 shares (RMB) in total. Pursuant to the *Announcement regarding the Completion of Share Purchase in Phase III Stock Ownership Scheme of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.* (L2018-032) disclosed by the Company on 23 May 2018, the Phase III Stock Ownership Scheme has entrusted Industrial Securities Assets Management Co., Ltd. to establish the “Designated Asset Management Plan of Phase III Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.”, pursuant to which the Phase III Stock Ownership Scheme has accumulatively bought 16,063,800 shares of the Company via the secondary market, with an average transaction price of approximately RMB16.72 per share and the transaction amount of RMB268,586,736.00. The above shares purchased are to be locked up in accordance with the requirements with a lock-up period of 12 months since the disclosure date of the aforementioned announcement, being from 23 May 2018 to 22 May 2019.

Pursuant to the Draft of Phase III Stock Ownership Scheme, the equity interests of the underlying stocks in the Phase III Stock Ownership Scheme shall be vested to their holders in two phases, the specific vesting time would be after the lock-up period ends, which should be determined by the Management Committee. The assessment indicators and vesting arrangements under the Phase III Stock Ownership Scheme are as follows:

(1) The assessment indicators and vesting arrangements of the holders under the Phase III Stock Ownership Scheme who are directors, supervisors, senior managements of Qingdao Haier and the personnel of the Company’s platform are: if the holders were assessed by the Management Committee in 2018 with an up-to-standard result and the Company’s audited net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2018 increased over 10% (inclusive) than those of the 2017, then 40% of the equity interests of underlying stocks in the Phase III Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 8% and 10%, the percentage of vesting shall

be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 8% (not inclusive), then the equity interests would not be vested in 2018. If the holders were assessed by the Management Committee in 2019 with an up-to-standard result and the Company's audited net profits vested in shareholders of the parent company with deduction of non-recurring profits and losses in 2019 increased over 21% (inclusive) than those of the 2017, then 60% of the equity interests of underlying stocks in the Phase III Stock Ownership Scheme under their name would all be vested to the holders; provided that the increase rate is between 16.64% and 21%, the percentage of vesting shall be determined by the Management Committee and the vesting shall then be proceeded after reporting to the Remuneration and Appraisal Committee of Board of Directors of the Company and obtaining approval from them; provided that the increase rate is below 16.64% (not inclusive), then the equity interests would not be vested in 2019. (2) The holders under the Phase III Stock Ownership Scheme excluding the holders in item 1 were assessed by the Management Committee with up-to-the standard results in 2018 and 2019, being vested with 40% and 60% of the equity interests, respectively.

## **II. Details of Previous Vesting**

According to the achievement of the performance indicators set by the Employee Stock Ownership Scheme in each phase, the Management Committee has made vesting several times between 2017 and 2020, and as of this vesting, a total of 22,472,102 shares have been vested in the Phase I Stock Ownership Scheme, a total of 20,966,219 shares have been vested in the Phase II Stock Ownership Scheme and a total of 10,509,984 shares have been vested in the Phase III Stock Ownership Scheme. For details of the vesting, please refer to the *Announcement on Quota Distribution and Equity Allocation of Phase I Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.*(No.: L2017-046) dated 7 December 2017, the *Announcement on Quota*

*Distribution and Equity Allocation of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.*(No.: L2018-026) dated 12 May 2018, the *Announcement on Second Quota Distribution and Equity Allocation of Phase I Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.*(No.: L2018-081) dated 15 December 2018, the *Announcement on Quota Distribution and Equity Allocation of Core Employee Stock Ownership Scheme of Qingdao Haier Co., Ltd.*(No.: L2019-033) dated 30 May 2019 and the *Announcement on Quota Distribution and Equity Allocation of Core Employee Stock Ownership Scheme of Haier Smart Home Co., Ltd.* (No.: L2020-038) dated 30 July 2020 disclosed by the Company.

### **III. Details of the Current Vesting**

Phase I Employee Stock Ownership Scheme, Phase II Employee Stock Ownership Scheme and Phase III Employee Stock Ownership Scheme all provide that: “The equity allocation in shares of the Stock Ownership Scheme: in the duration period... for shares without future vesting objects due to various reasons such as substandard performance assessment and employee departure, the Management Committee will determine the equity allocation companies of the underlying stocks or incentivize other employees with greater contribution”, pursuant to which the Committee determined on 15 January 2021 that: (1) according to the vesting under the Phase I Stock Ownership Scheme, the number of 1,783,038 shares has been vested to 33 employees who passed the assessment; (2) according to the vesting under the Phase II Stock Ownership Scheme, the number of 1,132,832 shares has been vested to 116 employees who passed the assessment; (3) according to the vesting under the Phase III Stock Ownership Scheme, the number of 179,351 shares has been vested to 32 employees who passed the assessment.

There are 6 directors, supervisors and senior managements of the Company participating in the current vesting. A total of 1,339,483 shares are vested this time (see the table below for details). Any changes in the shares they hold shall be subject to relevant provisions of *the Rules Governing the Holding of Shares in the Company* by



*Directors, Supervisors and Senior Managements of Listed Companies and Changes thereof.*

| <b>No.</b> | <b>Name</b>   | <b>Position</b>  | <b>Total number of A shares vested (share)</b> | <b>Total number of A shares held after vesting (share)</b> |
|------------|---------------|--|--|--|
| 1          | Liang Haishan | Chairman   | 647,127  | 15,570,174   |
| 2          | Tan Lixia     | Vice Chairman  | 517,702  | 9,053,622  |
| 3          | Wang Peihua   | Chairman of the Board of Supervisors                           | 21,334   | 182,401  |
| 4          | Ming Guoqing  | Supervisors  | 13,938   | 119,449  |
| 5          | Gong Wei      | Chief Financial Officer and Deputy General Manager             | 88,180   | 1,812,495  |
| 6          | Ming Guozhen  | Secretary of the Board of Directors and Deputy General Manager | 51,202   | 1,326,497  |
| Total      |               |  | 1,339,483                                      | 28,064,638   |

The Company has completed the transfer of relevant shares at Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 27 January 2021 based on the aforementioned resolutions, with a total of 3,095,221 shares, and the transfer of shares has been completed.

#### **IV. Status quo and follow-up arrangement of the Stock Ownership Scheme**

1. After the current vesting, all shares held by Phase I Stock Ownership Scheme has been vested, and Phase I Stock Ownership Scheme has been terminated. Subsequently, the property liquidation and distribution work will be carried out.

2. As of the date of this announcement, Phase II Stock Ownership Scheme holds 721,736 shares of the Company, and Phase III Stock Ownership Scheme holds

5,374,465 shares of the Company. The duration of Phase II and Phase III Stock Ownership Scheme shall not exceed 60 months and 36 months respectively, calculated from the time when the underlying stocks are registered to Phase III Employee Stock Ownership Scheme (registration completed on 28 March 2017 and 22 May 2018 respectively). According to the Draft of Phase II and Phase III Stock Ownership Scheme, upon the expiration of the lock-up period of the Stock Ownership Scheme and when all assets of the Stock Ownership Scheme are monetary funds, the stock Ownership Scheme may be terminated in advance. If the vesting of shares held under the Stock Ownership Scheme is finished and the assets of the Stock Ownership Scheme are only monetary funds, the Stock Ownership Scheme would be terminated in advance.

It is hereby notified the above.

The Board of Directors of Haier Smart Home Co., Ltd

28 January 2021